

## **2013 DRAFTING REQUEST**

### **Bill**

Received: **2/11/2013** Received By: **btradewe**  
Wanted: **As time permits** Same as LRB: **-3137**  
For: **Agricult. Trade and Cons. Prot.** By/Representing: **David Meany**  
May Contact: Drafter: **btradewe**  
Subject: **Agriculture - food safety** Addl. Drafters:  
Extra Copies:

Submit via email: **YES**  
Requester's email: **David.Meany@wisconsin.gov**  
Carbon copy (CC) to: **Keeley.Moll@wisconsin.gov**

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### **Pre Topic:**

No specific pre topic given

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### **Topic:**

Milk procurement fees

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### **Instructions:**

See attached

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### **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	btradewe 3/20/2013			_____			
/1		scalvin 4/1/2013	phenry 4/1/2013	_____	lparisi 4/1/2013	lparisi 9/11/2013	

FE Sent For:

<END>

→ Not  
Needed

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/?	btradewe						
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FE Sent For:

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Wisconsin Department of Agriculture, Trade and Consumer Protection

PROPOSAL FOR LEGISLATIVE ACTION

**Date:** February 8, 2013

**Working Title of Act:** Modernizing Milk Procurement Fee Statutes

**Statute Sections affected by action:** s. 97.20, Dairy Plants, Wis. Stats.

**Description of action, i.e. create new section; amend existing section, repeal and recreate existing section:** Amend s. 97.20(2g), Wis. Stats.

**Plain-language description of what action does:** Dairy plants are required to pay a monthly milk procurement fee based on the amount of milk delivered to the dairy plant from milk producers. Milk procurement fee revenue provides an important source of funding for dairy safety and quality oversight activities. The statutes allow DATCP to set the milk procurement fee rate by rule, but they also list outdated milk procurement fee rates which have been superseded in rule-making. This revision would remove these fee rates from the statutes. No change would be made to the current fee rates, which are currently included in ch. ATPC 80, Admin. Code. This revision would also align the statutes with current milk procurement fee payment practice already approved by the Legislature during the rule-making process. Although s. 97.20 (2g), Wis. Stats., states that milk procurement fees are due by the 18<sup>th</sup> of each month, the due date used now is the 25<sup>th</sup> day each month.

**Relationship of this action to any relevant federal laws or regulations:** Funding from the milk procurement fee allows DATCP to provide dairy safety and quality oversight services required to adequately protect public health and to substantially comply with the federal Pasteurized Milk Ordinance (PMO). Substantial compliance with the PMO is required for Wisconsin to ship Grade "A" milk to other states.

**Fiscal effect on WDATCP:** This proposal would not impact actual fee amounts paid and would have no fiscal effect on DATCP.

**Statutory changes:**

Section 97.20(2g), Wis. Stats., would be amended as follows:

**97.20(2g) MILK PROCUREMENT FEE.**

(a) *Monthly procurement fee.* A dairy plant operator shall pay a milk procurement fee on or before the ~~18<sup>th</sup>~~ 25<sup>th</sup> day of each month in the amount specified under par. (b) as follows:

1. The operator of a dairy plant that operated during the month preceding the month when the payment is due shall pay a milk procurement fee based on the amount of milk that was delivered to the dairy plant from milk producers in the month preceding the month when the payment is due, whether or not that particular dairy plant operator operated the dairy plant during the month preceding the month when the payment is due.

2. The operator of a dairy plant that has not been operated in the month preceding the month when the payment is due shall pay a milk procurement fee in the month when the payment is due that is established by department rule.

(b) *Milk procurement fee amounts.* ~~Unless otherwise~~ Milk procurement fee amounts shall be established by department rule, milk procurement fees required under par. (a) are:

~~1. For each 100 pounds of grade A milk received from milk producers, 0.4 cent.~~

~~2. For each 100 pounds of all milk received from milk producers that is not grade A milk, 0.2 cent.~~

(c) *Out-of-state milk shipments.* A milk producer who ships milk to an out-of-state dairy plant shall pay a milk procurement fee, specified under par. (b), on that milk, unless the out-of-state dairy plant voluntarily pays that fee for the milk producer.



State of Wisconsin  
2013 - 2014 LEGISLATURE

In 3/20



LRB-1579/1

RCT: /:....

sac

2013 BILL

put ✓

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*gen act*  
AN ACT *relating to:* milk procurement fees.

***Analysis by the Legislative Reference Bureau***

Current law requires operators of dairy plants to pay to the Department of Agriculture, Trade and Consumer Protection (DATCP) monthly milk procurement fees based on the amount of milk they receive from dairy farmers. Under current law, the fees are due by the 18th of each month. This bill changes the due date for milk procurement fees to the 25th of each month.

Currently the statutes specify amounts of milk procurement fees, which apply unless DATCP specifies different amounts by rule. DATCP's current rules specify amounts for the fees that differ from those in the statutes. This bill eliminates the statutory language specifying the amounts of milk procurement fees.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

2

SECTION 1. 97.20 (2g) (a) (intro.) of the statutes is amended to read:

3

97.20 (2g) (a) *Monthly procurement fee.* (intro.) A dairy plant operator shall

4

pay a milk procurement fee on or before the 18th 25th day of each month in the

5

amount specified under par. (b) as follows:

# BILL

## SECTION 2

1        **SECTION 2.** 97.20 (2g) (b) of the statutes is repealed and recreated to read:

2            97.20 (**2g**) (b) *Amount of fees.* The department shall specify the amount of milk  
3            procurement fees by rule.

4 (END)

**Tradewell, Becky**

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**From:** Daniels, Cheryl F - DATCP <Cheryl.Daniels@wisconsin.gov>  
**Sent:** Wednesday, September 11, 2013 2:12 PM  
**To:** Tradewell, Becky  
**Cc:** Moll, Keeley A - DATCP; Meany, David V - DATCP; Ingham, Steve C - DATCP  
**Subject:** LRB 1579/1 - milk procuring fees

Becky,

This drafted section is fine and good to go for jacketing. Cheryl

*Please jacket for Assembly*

Cheryl Furstace Daniels  
Assistant Legal Counsel  
Wisconsin Department of Agriculture,  
Trade and Consumer Protection and  
Livestock Facility Siting Review Board  
2811 Agriculture Dr., Madison WI 53708-8911  
608-224-5026